

JIM IRVIN
COMMISSIONER-CHAIRMAN

RENZ D. JENNINGS
COMMISSIONER

CARL J. KUNASEK
COMMISSIONER



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JACK ROSE
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

December 17, 1997

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DEC 19 1997

FCC MAIL ROOM

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street
Room 222
Washington, D.C. 20554

Re: Arizona Corporation Commission's Petition
for Expedited Waiver of 47 C.F.R. § 54.409(a)
Docket No. 96-45

Dear Secretary Salas:

Attached are copies of two orders of the Arizona Corporation Commission ("ACC") adopted at its Open Meeting on December 16-17, 1997, which the ACC is submitting in conjunction with its Petition for Expedited Waiver of 47 C.F.R. § 54.409(a) now pending before the FCC. Similar orders were adopted for all of the remaining eleven incumbent local exchange providers in Arizona. The Orders address, inter alia, the Lifeline filings of Arizona's designated eligible telecommunications carriers.

Please do not hesitate to contact me or Maureen Scott at (602) 542-3402 if you have any questions regarding this matter or if you require additional information. Thank-you for your consideration.

Very truly yours,

A handwritten signature in cursive script that reads "Paul A. Bullis".

Paul A. Bullis
Chief Counsel

cc: Ms. Sheryl Todd, FCC Common Carrier Bureau
Ms. Lori Wright, FCC Common Carrier Bureau

PAB:MAS:ms
Attach.

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BEFORE THE ARIZONA CORPORATION COMMISSION

JIM IRVIN
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IN THE MATTER OF THE APPLICATION)
 OF CITIZENS RURAL UTILITY)
 COMPANY, CITIZENS TELECOMMUNI-)
 CATIONS COMPANY OF THE WHITE)
 MOUNTAINS, INC. AND NAVAJO)
 COMMUNICATIONS COMPANY, INC.)
 FOR DESIGNATION AS AN)
 ELIGIBLE TELECOMMUNICATIONS)
 CARRIER IN THE STATE OF ARIZONA)
 PER FCC UNIVERSAL REPORT AND)
 ORDER NO. 96-45.)

DOCKET NO. T-1954-97-640
 T-3214-97-640
 T-2115-97-640

IN THE MATTER OF CITIZENS RURAL)
 UTILITY COMPANY, CITIZENS)
 TELECOMMUNICATIONS COMPANY)
 OF THE WHITE MOUNTAINS, INC. AND)
 NAVAJO COMMUNICATIONS COMPANY)
 INC. PROPOSED REVISIONS TO ITS)
 EXCHANGE AND NETWORK SERVICES)
 TARIFF FOR LIFELINE AND LINKUP)
 SERVICE.)

DOCKET NO. T-1954-97-660
 T-3214-97-656
 T-2115-97-655

ORDER

DECISION NO. _____

Open Meeting
 December 16 and 17, 1997
 Phoenix, Arizona

BY THE COMMISSION:

On November 14, 1997, Citizens Rural Utility Company ("Citizens Rural"), Citizens Telecommunications Company of the White Mountains, Inc. ("Citizens White Mountains"), and Navajo Communications Company, Inc. ("Navajo")(collectively "Citizens" or the "Companies") filed a Petition for Designation as Eligible Telecommunications Carriers ("ETCs") pursuant to 47 U.S.C. § 214(e). On November 20, 1997, Citizens Rural, Citizens White Mountains and Navajo filed proposed Lifeline and Link Up tariffs with the Commission for approval. Under the new Federal Communications Commission's ("FCC") rules and regulations, all ETCs must make Lifeline and Link Up service available to their low-income customers in the future. No objections were filed

by any party to any of the Companies' filings. Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

A. Designation As Eligible Telecommunications Carriers.

1. Section 214(e)(2) of the Telecommunications Act of 1996 ("1996 Act") requires the Commission to designate, either upon its own motion or upon request, telecommunications providers as ETCs to receive support from the federal universal service fund in the future. The Commission is also required to designate, for non-rural carriers such as Citizens, the service area to which the ETC designation applies pursuant to 47 U.S.C. § 214(e)(5).

2. The requirements for ETC designation are set out in 47 U.S.C. § 214(e)(1). That provision requires that the carrier, throughout the service area for which designation is received must: (1) offer the services that are supported by the federal universal service support mechanisms either using its own facilities or a combination of its own facilities and resale of another carrier's services and (2) advertise the availability of such services and the charges therefor using media of general distribution. If a carrier meets these criteria, the Commission must designate it as an ETC in any non-rural service area for which it makes application.

3. The services that have been designated by the FCC for federal universal service support include the following:

- Voice grade access to the public switched network with the ability to place and receive local calls without additional charges;
- Dual tone multi-frequency signaling (also known as touch-tone service);
- Single-party service;
- Access to emergency services, including 911 and Enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented these services;
- Access to operator services;
- Access to interexchange service;
- Access to directory assistance; and,

- Toll limitation for qualifying low-income customers.

The Commission may grant a waiver or additional time to complete the network upgrades needed to provide single-party service, access to enhanced 911 service, or toll limitation, provided the carrier demonstrates that exceptional circumstances prevent it from making the particular service available at this time.

4. The FCC issued a notice requiring state commissions to designate ETCs, and the service areas for non-rural ETCs, by December 31, 1997.

5. By letter dated October 22, 1997, the Commission Staff requested all existing ILECs, including Citizens, to file a certification petition with the Commission, indicating that the carrier had met the requirements for ETC designation contained in 47 U.S.C. § 214(e). The Notice tentatively concluded that the ETC designation areas for non-rural companies would be the applicant's exchange areas and for rural telephone companies (such as Citizens), the applicant's service territory. Applicants were asked to request in their Petitions any necessary waivers, or extensions of time, needed to comply with the requirements contained in the FCC's First Report and Order in Docket 96-45. Applicants were also asked to file Lifeline and Link Up tariffs which all ETCs must offer under the FCC rules and regulations. Lifeline is a program that allows low-income customers to subscribe to certain eligible services at the discounted rates. Link Up is a program that reduces the carrier's normal charge for establishing service for low-income customers.

6. Citizens Rural, Citizens White Mountains and Navajo each certify to the Commission that they are a rural telephone company as defined in 47 U.S.C. § 153(47).

7. As rural telephone companies, each of the Companies seeks ETC designation for its respective service area established in its Certificate of Public Convenience and Necessity.

8. The Companies state that they meet the criteria for ETC designation contained in the 1996 Act. The Companies state that they satisfy the first criteria in that each of its Companies provides the services included within the FCC's definition of universal service, with some minor exceptions for which they requests a waiver or extension of time.

9. Citizens Rural has approximately 53 customers who do not have access to single-party service. Citizens Rural states that these customers are located in areas of the service

1 territory that are difficult and costly to serve. Citizens Rural estimates that the cost to provide these
2 53 customers with single-party service will be approximately \$7.1 million. Citizens Rural contends
3 that the extraordinarily high cost to upgrade such a small percentage of its customers qualifies as an
4 exceptional circumstance under 47 C.F.R. § 54.101(c). Citizens Rural requests an extension of time
5 to meet this requirement for the remaining 53 customers until December 31, 2002.

6 10. Citizens White Mountains has approximately 37 customers who do not have
7 access to single-party service. These customers are located in areas of the service territory that are
8 difficult and costly to serve. Citizens White Mountains estimates that the cost to provide these 37
9 customers with single-party service will be approximately \$9.9 million. Citizens White Mountains
10 contends that the extraordinarily high cost to upgrade such a small percentage of its customers
11 qualifies as an exceptional circumstance under 47 C.F.R. § 54.101(c). Accordingly, Citizens White
12 Mountains requests an extension to meet the single-party requirement for these remaining 37
13 customers until December 31, 2002.

14 11. Navajo has approximately 30 customers who do not have access to single-
15 party service. These customers are located in areas of the service territory that are difficult and
16 costly to serve. Navajo estimates that the cost to provide these 30 customers with single-party
17 service will be approximately \$1.9 million. Navajo contends that the extraordinarily high cost to
18 upgrade such a small percentage of its customers qualifies as an exceptional circumstance under 47
19 C.F.R. § 54.101(c). Accordingly, Navajo requests an extension to meet the single-party
20 requirement for these remaining 30 customers until December 31, 2002.

21 12. In addition, all three Companies request a waiver of the requirement that they
22 provide toll limitation to qualifying low-income customers. Toll limitation is defined in the FCC
23 rules as including both toll blocking service and toll control service. The Companies state that they
24 are unable to provide toll control service, which is defined in 47 C.F.R. § 54.400(a)(3) as "a service
25 provided by carriers that allows consumers to specify a certain amount of toll usage that may be
26 incurred on their telecommunications channel per month or per billing cycle." The Companies state
27 that their switch vendors do not even have a product available for the upgrade of their switches to
28 provide toll control service and that there is apparently no industry estimate of when, if ever, the

1 necessary technology will be available to implement this service. The Companies state that
2 exceptional circumstances therefore exist under 47 C.F.R. § 54.101(c) for the grant of additional
3 time to implement toll control service. Citizens Rural and Citizens White Mountains also state that
4 they currently offer toll blocking to customers throughout their service areas. Navajo states that it
5 provides toll blocking throughout much of its service territory, with the exception of 30 customers
6 which it anticipates will have toll blocking once the conversion to intraLATA equal access takes
7 place by July 1, 1998.

8 13. The Companies state that they also meet the second requirement of the 1996
9 Act for ETC designation in that they each advertise the availability of each of the supported services
10 identified in 47 C.F.R. § 54.101(a)(1-9) throughout their respective certified service territory in
11 Arizona.

12 14. Staff agrees that the Companies meet the requirements of the 1996 Act for
13 designation as an ETC throughout each of their respective service areas. All three Companies are
14 facilities-based providers which offer all of the services identified in 47 C.F.R. § 54.101(a)(1-9),
15 with the minor exception noted above for which the Companies request a waiver. The designations
16 should be made, however, with the understanding that future developments in the federal universal
17 service program may require the Commission to revise the service area designations. Staff believes
18 that the Companies' requests for waiver meet the criteria contained in 47 C.F.R. § 54.101(c) and that
19 the Companies have demonstrated that exceptional circumstances exist which prevent them from
20 providing single-party service throughout all of their service areas at this time. Staff believes that
21 the waiver periods requested are too long, however. Staff supports a waiver period in each case of
22 two years, subject to renewal, for each of the Companies to the limited extent requested in their
23 Petitions, in order to allow the Companies to make the necessary network upgrades to all single-
24 party service.

25 15. Staff also believes that the Companies have met the criteria for waiver of the
26 requirement to provide toll limitation services until the provision of toll control becomes
27 technologically feasible and the Commission issues an Order requiring its implementation in the
28 state; provided both Citizens Rural and Citizens White Mountains offer toll blocking to customers

1 in their respective service areas. Staff also believes that Navajo has met the criteria for waiver of
2 the requirement to provide toll blocking for the remaining 630 customers in its service area until July
3 1, 1998.

4 16. Finally, Staff believes that the Companies have also met the second
5 requirement of the 1996 Act for designation as an ETC in that the Companies have advertised the
6 availability of the services supported by the federal support using media of general distribution.
7 Staff, however, recommends that the Commission require the Companies to again advertise the
8 supported services, including their revised Lifeline and Link-Up programs, within the next three
9 months and thereafter on an annual basis either through media of general distribution, bill insert or
10 any other means so long as approved by Commission Staff.

11 17. Staff recommends that the Companies be designated as ETCs in each of their
12 respective service territories established in their Certificates of Public Convenience and Necessity
13 and that such designations be approved without a hearing. The Staff also recommends that the
14 Commission grant each of the Companies a two-year waiver, subject to renewal, of the requirement
15 to provide single-party service to the limited extent requested in their Petition. Staff further
16 recommends that the Commission grant the Companies an indefinite waiver of the requirement to
17 provide toll limitation service until provision of toll control service is technologically feasible and
18 the Commission issues an Order requiring its implementation throughout the state. Finally, Staff
19 recommends that the Companies be required to again advertise within the next three months, and
20 thereafter on an annual basis the services supported by the federal universal service support
21 mechanism, including Lifeline and Link-Up, either through media of general distribution, bill insert
22 or any other means approved by Commission Staff.

23 **B. Proposed Lifeline and Link Up Tariffs**

24 18. The Companies also filed proposed Lifeline and Link Up filings with the
25 Commission for approval. All carriers designated as ETCs must make Lifeline and Link Up
26 available to low-income customers in their service areas. Lifeline is a retail local service offering
27 available only to qualifying low-income customers. Link Up is a program that allows qualifying
28 customers are given a reduction in the carrier's customary charge for commencing

1 telecommunications service. The new FCC rules on Lifeline and Link Up Service contain the
2 following provisions:

- 3 • Toll restriction will be offered at no charge to Lifeline customers.
- 4 • Lifeline customers who voluntarily elect to toll restrict their lines can initiate service without paying a deposit.
- 5 • Partial payments from Lifeline customers are to be allocated first to local service charges and then to toll charges.
- 6 • Lifeline service may not be disconnected for nonpayment of toll charges.
- 7 • Link Up customers will be allowed to defer payment of up to \$200 in service connection charges for a period not to exceed one year. In addition, interest will not be charged on the deferred payments.
- 8 • Link Up support is available for a customer one time only at a given address.

9 19. Under the new Lifeline program, the federal baseline Lifeline support amount
10 will equal \$3.50 per qualifying low-income consumer. If the state commission approves an
11 additional reduction of \$1.75 to local end-user rates, additional federal Lifeline support in the
12 amount of \$1.75 will be made available to the ETC serving that customer. Yet additional federal
13 Lifeline support in an amount equal to one-half of the amount of any state Lifeline support will be
14 made available to the carrier providing Lifeline service to a qualifying low-income consumer if the
15 state commission approves an additional reduction in the amount paid by that consumer equal to the
16 state support multiplied by 1.5. However, the federal Lifeline support amount will not exceed \$7.00
17 per qualifying low-income consumer.

18 20. To qualify to receive Lifeline service in states that provide state Lifeline
19 service support, a consumer must meet the criteria established by the state commission. The state
20 commission's criteria must be narrowly targeted and based solely on income or factors directly
21 related to income. To qualify to receive Lifeline in states that do not provide state Lifeline support,
22 a consumer must participate in one of the following programs: Medicaid; food stamps; Supplemental
23 Security Income; federal public housing assistance; or Low-Income Home Energy Assistance
24 Program.

25 21. The FCC has also revised its rules governing Link Up, another assistance
26 program for qualifying low-income consumers. Under Link Up, qualifying customers are given a
27 reduction in the carrier's customary charge for commencing telecommunications service for a single
28 telecommunications connection at a consumer's principal place of residence equal to one-half of the
customary charge or \$30.00, whichever is less. Qualifying customers are also entitled to a deferred

1 schedule for payment of the charges assessed for commencing service, with interest charges not
2 assessed to the consumer for connection charges of up to \$200.00 that are deferred for a period not
3 to exceed one year.

4 22. Arizona currently has a Low Income Telephone Assistance Program (also
5 referred to as the Senior Telephone Discount Program) which is applicable to all local exchange
6 carriers ("LECs"). In order to be eligible for this program, "applicants must be head of household,
7 be sixty-five years of age or older and have a household income at or below poverty level."
8 Qualifying customers receive a 17% discount to their local service bills and a partial offset to the
9 federal subscriber line charge through existing the Lifeline program.

10 23. The Commission Staff has requested a temporary waiver of the FCC's rule
11 that states base eligibility for intrastate matching funds under the federal Lifeline program solely on
12 income for customers who qualify for federal Lifeline assistance under Arizona's Low Income
13 Telephone Assistance Program. The waiver would allow existing low-income customers to continue
14 to receive federal Lifeline assistance under this state program as they have in the past, pending
15 changes to state law to bring the eligibility criteria into compliance with the new federal standards.

16 24. During the interim period, low-income customers who qualify for this state
17 program would receive the federal baseline support amount of \$3.50 plus the additional \$1.75 in
18 federal Lifeline support. These customers would also be eligible to receive additional matching
19 federal Lifeline support in an amount equal to one-half of the amount of the state support. For
20 example, if the 17% discount in local service charges contributed by the state equaled \$2.00, the
21 matching federal Lifeline support amount would equal \$1.00. Using this example, a total of \$6.25
22 in federal Lifeline support would be available to customers who qualify for the state program during
23 the interim period.

24 25. Staff has reviewed the Companies' proposed Lifeline tariffs and believes that
25 they substantially comply with the requirements of the FCC's rules and regulations. Staff views the
26 Senior Discount Program as a small subset of the expanded Lifeline Program, which the FCC's First
27 Report and Order put into place. The Companies' proposed Lifeline tariffs recognize this by
28 incorporating the federal default criteria which requires that in order to be eligible for Lifeline and

1 Link Up assistance in the future, the customer must participate in one of the following programs: a)
 2 Medicaid, b) Food stamps, c) Supplemental Security Income ("SSI"), d) Federal public housing
 3 assistance, or e) Low Income Home Energy Assistance Program.

4 26. While Staff has sought clarification from the FCC on the use of the federal
 5 default criteria for purposes of the baseline of \$5.25 in support; Staff believes that its interpretation
 6 comports with the language of the FCC's First Report and Order, and the rules and regulations
 7 subsequently adopted by the FCC. Staff, however, recommends that the Company include language
 8 in its tariff to explain the application of the Senior Discount Program and the expanded Lifeline
 9 program contained in the Company's tariffs, and the impact of the waivers sought by the
 10 Commission with the FCC. Staff's proposed language is as follows:

11 Add the following footnote to the federal eligibility criteria listed in its tariff:
 12 The Commission has requested a temporary waiver of the FCC's rule that
 13 states base eligibility for intrastate matching funds under the federal Lifeline
 14 program solely on income for customers who qualify for federal Lifeline
 15 assistance under Arizona's Low Income Telephone Assistance Program. The
 16 waiver, if granted by the FCC, would allow existing low-income customers
 17 to continue to receive Lifeline assistance under this state program as they
 18 have in the past, pending changes to state law to bring the eligibility criteria
 19 into compliance with the new federal standards. During the interim period,
 20 low-income customers who qualify for the state program would receive the
 21 federal baseline support amount of \$3.50 plus the additional \$1.75 in federal
 22 Lifeline support. These customers would also be eligible to receive matching
 23 federal Lifeline support in an amount equal to one-half of the amount of the
 24 state support. For example, if the 17% discount in local service charges
 25 contributed by the state equaled \$2.00, the matching federal Lifeline support
 26 would equal \$1.00. Using this example, a total of \$6.25 in federal Lifeline
 27 support would be available to customers who qualify for the state program
 28 during the interim period.

 The Commission has also sought clarification from the FCC to allow
 Arizona's eligible telecommunications carriers to apply federal default
 criteria for purposes of the \$5.25 baseline amount. This would mean that
 during the interim period pending changes to state law which would provide
 for state matching funds, low-income customers who qualify under the
 federal Lifeline criteria would receive the federal baseline amount of \$3.50
 plus the additional \$1.75 in federal Lifeline support.

25 27. Citizens Rural estimates that it will have approximately 17,954 customers
 26 eligible for Lifeline support. Citizens White Mountains estimates that approximately 7,881 of its
 27 customers will be eligible for Lifeline support. Navajo estimates that approximately 1,396 of its
 28 ...

1 customers will qualify for Lifeline support. Together, the Companies' combined estimate equals
2 approximately 27,231 customers eligible for Lifeline support.

3 28. Staff believes the remainder of the Companies' proposed Lifeline and Link
4 Up tariffs also substantially comply with the requirements of the FCC's rules and regulations. The
5 Companies propose a decrease to end-user rates to reflect the additional 1.75 in federal funds which
6 with the Subscriber Line Charge waiver of \$3.50 reflects the maximum in federal funds available
7 before state matching requirements are triggered. The Companies also propose to waive deposit
8 requirements for Lifeline customers who voluntarily elect to subscribe to toll blocking, which will
9 be provided free of charge to Lifeline customers. The Companies' proposed tariffs also provide that
10 for Lifeline Service, partial payments will be applied to local service charges first with the remainder
11 applied to toll service.

12 29. The Companies' proposed Link Up tariffs also substantially comply with the
13 requirements of the FCC's rules and regulations and should be approved subject to minor
14 modification. Staff recommends that the Companies file revised tariffs in instances where their
15 eligibility criteria for Lifeline and Link Up service are different. The FCC rules require that the
16 eligibility requirements be the same for both services. The Companies should also modify their Link
17 Up tariffs to incorporate the language providing for deferred payments up to \$200.00 for which the
18 customer will not be assessed interest for a period not to exceed one year.

19 30. Staff recommends that the Commission approve the Companies' proposed
20 Lifeline and Link Up tariffs subject to the modifications previously discussed. Staff believes that
21 the Companies' proposed Lifeline and Link Up tariffs substantially comply with the requirements
22 of the FCC's new rules contained at 47 C.F.R. § 54.400 et seq.

23 31. Staff further recommends that the Commission approve the \$1.75 reduction
24 in each of the Companies' end-user local service rates so that the Companies can qualify for the
25 \$5.25 baseline federal amount. Staff also recommends that the Commission approve such additional
26 reductions to the Companies' end-user rates to allow the Companies to qualify for the maximum
27 matching amount permitted under current FCC rules and regulations, once state law incorporates
28 additional matching state funds.

CONCLUSIONS OF LAW

1
2 1. Citizens White Mountains, Citizens Rural and Navajo are public service
3 corporations within the meaning of Article XV of the Arizona Constitution and A.R.S. Section 40-
4 281 et seq. The Companies are also telecommunications carriers as defined in A.R.S. § 40-201, 47
5 C.F.R. § 51.5 and 47 C.F.R. Part 54. The Companies are also facilities-based incumbent local
6 exchange telecommunications service providers as defined in 47 U.S.C. § 153(44) and 47 C.F.R.
7 § 51.5 and common carriers.

8 2. The Commission has jurisdiction over the Companies and the subject matter
9 of the application.

10 3. The recitals of fact and conclusions of law set forth above are supported by
11 the record and are hereby adopted as findings of fact and conclusions of law.

12 4. The designation of Citizens White Mountains, Citizens Rural and Navajo as
13 eligible telecommunications carriers for each of their respective service areas established in their
14 Certificates of Public Convenience and Necessity is consistent with the 1996 Act and the FCC's
15 rules and regulations.

16 5. Citizens White Mountains, Citizens Rural and Navajo have met the
17 requirements for waiver, subject to renewal, of the requirement to provide single-party service to the
18 limited extent requested for two years from the entry date of this Order; Applicants having
19 demonstrated exceptional circumstances that prevent each of the Companies from making single-
20 party service available throughout each of their service areas.

21 6. Citizens White Mountains, Citizens Rural and Navajo have met the
22 requirements for waiver of the requirement to provide toll limitation service as defined by the FCC
23 until such time as toll control becomes technologically feasible and its implementation is ordered
24 by the Commission; the Companies having demonstrated that exceptional circumstances prevent its
25 implementation at this time and further that Citizens White Mountains and Citizens Rural will make
26 toll blocking available to customers throughout their service areas. Additionally, Navajo will make
27 toll blocking available to remaining customers in its service area by July 1, 1998.

28 ...

1 7. Citizens White Mountains, Citizens Rural and Navajo shall comply with the
2 requirements associated with ETC status set forth in the FCC's rules and regulations and such
3 additional requirements described in the body of this Order.

4 8. Approval of the federal default criteria for Arizona's expanded Lifeline
5 Program is reasonable and in the public interest. The Companies' proposed Lifeline and Link Up
6 programs meet the requirements of the FCC's revised rules and regulations contained at 47 C.F.R.
7 § 54.400 et seq. and should be approved subject to any modifications discussed in the body of this
8 Order.

9 9. Approval of the reductions in the local service end-user rates of Citizens
10 White Mountains, Citizens Rural and Navajo, necessary for the Companies to qualify for the
11 additional \$1.75 to achieve the \$5.25 baseline amount is reasonable and in the public interest.
12 Approval of such further reductions in the local service end-user rates of Citizens White Mountains,
13 Citizens Rural and Navajo necessary for the Companies to qualify for the maximum level of federal
14 support from the revised federal Lifeline program, once matching state funding becomes available,
15 is reasonable and in the public interest.

16 ORDER

17 IT IS THEREFORE ORDERED That Citizens White Mountains, Citizens Rural and
18 Navajo are hereby designated an eligible telecommunications carriers under 47 U.S.C. § 214(e) of
19 the Telecommunications Act of 1996 for each of their respective service areas established in their
20 Certificates of Public Convenience and Necessity.

21 IT IS FURTHER ORDERED that Citizens White Mountains, Citizens Rural and
22 Navajo are granted a waiver of the requirement to provide single-party service to the extent
23 requested in their respective Petitions for a two year period, subject to renewal upon subsequent
24 petition by the Companies.

25 IT IS FURTHER ORDERED that Citizens White Mountains, Citizens Rural and
26 Navajo are granted a waiver of the requirement to provide toll limitation service as defined by the
27 FCC to low-income customers until the provision of toll control service is technically feasible and
28 the Commission orders its implementation on a statewide basis.

1 IT IS FURTHER ORDERED that Citizens White Mountains, Citizens Rural and
 2 Navajo, in addition to the advertising they have already done, shall advertise the availability of the
 3 covered services, including Lifeline and Link Up, within the next three months and thereafter on an
 4 annual basis, using media of general distribution, bill inserts or other methods approved by
 5 Commission Staff.

6 IT IS FURTHER ORDERED that Citizens White Mountains, Citizens Rural and
 7 Navajo's proposed Lifeline and Link Up tariffs are hereby approved subject to the modifications
 8 discussed in the body of this Order. The Companies shall file compliance tariffs incorporating these
 9 modifications on or before December 30, 1997.

10 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

11 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

12 
 13 COMMISSIONER-CHAIRMAN

14 
 15 COMMISSIONER

16 
 17 COMMISSIONER

18 IN WITNESS WHEREOF, I, JACK ROSE, Executive Secretary of the
 19 Arizona Corporation Commission have hereunto set my hand and caused the
 20 official seal of the Commission to be affixed at the Capitol, in the City of
 21 Phoenix, this 17th day of December, 1997.

22 
 23 JACK ROSE
 24 EXECUTIVE SECRETARY

25 DISSENT _____
 26
 27
 28